

Union Calendar No. 467

108TH CONGRESS
2D SESSION

H. R. 3242

[Report No. 108–750, Part I]

To ensure an abundant and affordable supply of highly nutritious fruits, vegetables, and other specialty crops for American consumers and international markets by enhancing the competitiveness of United States-grown specialty crops, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 2, 2003

Mr. OSE (for himself, Mr. DOOLEY of California, Mr. ACEVEDO-VILÁ, Mr. ENGLISH, Mr. FILNER, Mrs. KELLY, Mr. KOLBE, Mr. LARSEN of Washington, Mr. MCHUGH, Mr. NUNES, Mr. RADANOVICH, Mr. SCOTT of Georgia, Mr. THOMPSON of California, Mr. GALLEGLY, Mr. CARDOZA, Mr. DEFazio, Mr. KINGSTON, Mr. WU, Mr. HINOJOSA, and Mr. FARR) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

OCTOBER 6, 2004

Additional sponsors: Mr. CALVERT, Mr. GOODE, Mr. PETERSON of Minnesota, Mr. HOUGHTON, Mr. ETHERIDGE, Mr. PASTOR, Mr. THOMPSON of Mississippi, Mr. FOLEY, Mrs. BONO, Mr. OBERSTAR, Mrs. CAPPS, Mr. UPTON, Mr. DINGELL, Ms. HARRIS, Mr. CAMP, Mr. RODRIGUEZ, Mr. LUCAS of Kentucky, Mr. POMBO, Ms. WOOLSEY, Mr. LEWIS of Kentucky, Ms. MCCOLLUM, Mrs. MUSGRAVE, Mr. BEAUPREZ, Mr. UDALL of Colorado, Mr. WILSON of South Carolina, Mr. KILDEE, Mr. RAHALL, Mr. GEORGE MILLER of California, Mr. PUTNAM, Mr. CASE, Mr. SPRATT, Mr. MICHAUD, Mr. HERGER, Mr. HINCHEY, Mrs. MILLER of Michigan, Mr. ABERCROMBIE, Mr. BILIRAKIS, Mr. BACA, Mr. GRIJALVA, Ms. SLAUGHTER, Mr. POMEROY, Mr. LAMPSON, Mr. ALLEN, Mr. HONDA, Mr. MCINTYRE, Mr. BLUMENAUER, Mr. ISSA, Ms. KAPTUR, Mr. JENKINS, Mr. BISHOP of New York, Mr. LOBIONDO, Mr. ANDREWS, Mr. HASTINGS of Washington, Mr. STUPAK, Mr. MORAN of Virginia, Mr. COLLINS, Ms.

LOFGREN, Mr. ISAKSON, Mr. BURR, Mr. RUPPERSBERGER, Mr. WALDEN of Oregon, Mr. BOUCHER, Mr. SHERWOOD, Ms. ROS-LEHTINEN, Ms. GINNY BROWN-WAITE of Florida, Mr. MATSUI, Ms. HOOLEY of Oregon, Mr. PRICE of North Carolina, Mr. PLATTS, Mr. GORDON, Ms. LEE, Mr. GILCHREST, Mr. HOYER, Mrs. EMERSON, Mr. MILLER of North Carolina, Mr. SHUSTER, Mr. TAYLOR of North Carolina, Mrs. TAUSCHER, Mr. SIMMONS, Mr. LARSON of Connecticut, Mr. HOLDEN, Ms. ESHOO, Mr. KENNEDY of Rhode Island, Ms. DELAURO, Mr. PETERSON of Pennsylvania, Mr. DOOLITTLE, Mr. CLYBURN, Mr. WAXMAN, Ms. ROYBAL-ALLARD, Mrs. DAVIS of California, Ms. HARMAN, Ms. MILLENDER-MCDONALD, Mrs. NAPOLITANO, Ms. PELOSI, Ms. LORETTA SANCHEZ of California, Mr. SCHIFF, Mr. SHERMAN, Ms. SOLIS, Ms. WATSON, Ms. LINDA T. SÁNCHEZ of California, Mr. LANTOS, Mr. BERMAN, Mr. BECERRA, and Mr. BUTTERFIELD

OCTOBER 6, 2004

Reported from the Committee on Agriculture with an amendment

[Strike out all after the enacting clause and insert the part printed in *italie*]

OCTOBER 6, 2004

Referral to the Committee on Ways and Means extended for a period ending not later than October 6, 2004

OCTOBER 6, 2004

The Committee on Ways and Means discharged; committed to the Committee of the Whole House on the State of the Union and ordered to be printed

[For text of introduced bill, see copy of bill as introduced on October 2, 2003]

A BILL

To ensure an abundant and affordable supply of highly nutritious fruits, vegetables, and other specialty crops for American consumers and international markets by enhancing the competitiveness of United States-grown specialty crops, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 *This Act may be cited as the “Specialty Crops Com-*
3 *petitiveness Act of 2004”.*

4 **SEC. 2. FINDINGS AND PURPOSE.**

5 (a) *FINDINGS.*—Congress finds the following:

6 (1) *A secure domestic food supply is a national*
7 *security imperative for the United States.*

8 (2) *A competitive specialty crop industry in the*
9 *United States is necessary for the production of an*
10 *abundant, affordable supply of highly nutritious*
11 *fruits, vegetables, and other specialty crops, which are*
12 *vital to the health and well-being of all Americans.*

13 (3) *Increased consumption of specialty crops will*
14 *provide tremendous health and economic benefits to*
15 *both consumers and specialty crop growers.*

16 (4) *Specialty crop growers believe that there are*
17 *numerous areas of Federal agriculture policy that*
18 *could be improved to promote increased consumption*
19 *of specialty crops and increase the competitiveness of*
20 *producers in the efficient production of affordable spe-*
21 *cialty crops in the United States.*

22 (5) *As the globalization of markets continues, it*
23 *is becoming increasingly difficult for United States*
24 *producers to compete against heavily subsidized for-*
25 *ign producers in both the domestic and foreign mar-*
26 *kets.*

1 (6) *United States specialty crop producers also*
 2 *continue to face serious tariff and non-tariff trade*
 3 *barriers in many export markets.*

4 (b) *PURPOSE.—It is the purpose of this Act to make*
 5 *necessary changes in Federal agriculture policy to accom-*
 6 *plish the goals of increasing fruit, vegetable, and nut con-*
 7 *sumption and improving the competitiveness of United*
 8 *States specialty crop producers.*

9 **SEC. 3. DEFINITIONS.**

10 *In this Act:*

11 (1) *The term “specialty crop” means fruits and*
 12 *vegetables, tree nuts, dried fruits, and nursery crops*
 13 *(including floriculture).*

14 (2) *The term “State” means the several States,*
 15 *the District of Columbia, and the Commonwealth of*
 16 *Puerto Rico.*

17 (3) *The term “State department of agriculture”*
 18 *means the agency, commission, or department of a*
 19 *State government responsible for agriculture within*
 20 *the State.*

21 **TITLE I—STATE ASSISTANCE**
 22 **FOR SPECIALTY CROPS**

23 **SEC. 101. SPECIALTY CROP BLOCK GRANTS.**

24 (a) *AVAILABILITY AND PURPOSE OF GRANTS.—Subject*
 25 *to the appropriation of funds to carry out this section, the*

1 *Secretary of Agriculture shall make grants to States for*
2 *each of the fiscal years 2005 through 2009 to be used by*
3 *State departments of agriculture solely to enhance the com-*
4 *petitiveness of specialty crops.*

5 **(b) GRANTS BASED ON VALUE OF PRODUCTION.**—Sub-
6 *ject to subsection (c), the amount of the grant for a fiscal*
7 *year to a State under this section shall bear the same ratio*
8 *to the total amount appropriated pursuant to the author-*
9 *ization of appropriations in subsection (i) for that fiscal*
10 *year as the value of specialty crop production in the State*
11 *during the preceding calendar year bears to the value of*
12 *specialty crop production during the preceding calendar*
13 *year in all States whose application for a grant for that*
14 *fiscal year is accepted by the Secretary under subsection*
15 *(f).*

16 **(c) MINIMUM GRANT AMOUNT.**—Subject to the appro-
17 *priation of sufficient funds to carry out this subsection,*
18 *each State shall receive at least \$100,000 each fiscal year*
19 *as a grant under this section notwithstanding the amount*
20 *calculated under subsection (b) for the State.*

21 **(d) ELIGIBILITY.**—To be eligible to receive a grant
22 *under this section, a State department of agriculture shall*
23 *prepare and submit, for approval by the Secretary of Agri-*
24 *culture, an application at such time, in such a manner,*

1 *and containing such information as the Secretary shall re-*
2 *quire by regulation, including—*

3 *(1) a State plan that meets the requirements of*
4 *subsection (e);*

5 *(2) an assurance that the State will comply with*
6 *the requirements of the plan; and*

7 *(3) an assurance that grant funds received under*
8 *this section shall supplement the expenditure of State*
9 *funds in support of specialty crops grown in that*
10 *State, rather than replace State funds.*

11 *(e) PLAN REQUIREMENTS.—The State plan shall iden-*
12 *tify the lead agency charged with the responsibility of car-*
13 *rying out the plan and indicate how the grant funds will*
14 *be utilized to enhance the competitiveness of specialty crops.*

15 *(f) REVIEW OF APPLICATION.—In reviewing the appli-*
16 *cation of a State submitted under subsection (d), the Sec-*
17 *retary of Agriculture shall ensure that the State plan would*
18 *carry out the purpose of grant program, as specified in sub-*
19 *section (a). The Secretary may accept or reject applications*
20 *for a grant under this section.*

21 *(g) EFFECT OF NONCOMPLIANCE.—If the Secretary of*
22 *Agriculture, after reasonable notice to a State, finds that*
23 *there has been a failure by the State to comply substantially*
24 *with any provision or requirement of the State plan, the*

1 *Secretary may disqualify, for one or more years, the State*
 2 *from receipt of future grants under this section.*

3 *(h) AUDIT REQUIREMENTS.—For each year that a*
 4 *State receives a grant under this section, the State shall*
 5 *conduct an audit of the expenditures of grant funds by the*
 6 *State. Not later than 30 days after the completion of the*
 7 *audit, the State shall submit a copy of the audit to the Sec-*
 8 *retary of Agriculture.*

9 *(i) AUTHORIZATION OF APPROPRIATIONS.—For each*
 10 *of the fiscal years 2005 through 2009, there is authorized*
 11 *to be appropriated to the Secretary of Agriculture*
 12 *\$44,500,000 to make grants under this section.*

13 ***TITLE II—SPECIALTY CROP*** 14 ***ADVANCEMENT***

15 ***SEC. 201. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.***

16 *For each of the fiscal years 2005 through 2009, there*
 17 *is authorized to be appropriated to the Secretary of Agri-*
 18 *culture \$2,000,000 to carry out section 3205 of the Farm*
 19 *Security and Rural Investment Act of 2002 (7 U.S.C.*
 20 *5680). Amounts appropriated pursuant to this authoriza-*
 21 *tion of appropriations shall be in addition to any other*
 22 *funds made available to carry out such section.*

1 **SEC. 202. REDUCTION IN BACKLOG OF AGRICULTURAL EX-**
2 **PORT PETITIONS.**

3 (a) *REDUCTION EFFORTS.*—*To the maximum extent*
4 *practicable, the Secretary of Agriculture shall endeavor to*
5 *reduce the backlog in the number of applications for permits*
6 *for the export of United States agricultural commodities.*
7 *In achieving such reduction, the Secretary shall not dilute*
8 *or diminish existing personnel resources that are currently*
9 *managing sanitary and phytosanitary issues for—*

10 (1) *United States agricultural commodities for*
11 *which exportation is sought; and*

12 (2) *interdiction and control of pests and diseases,*
13 *including for the evaluation of pest and disease con-*
14 *cerns of foreign agricultural commodities for which*
15 *importation is sought.*

16 (b) *REPORT.*—*The Secretary of Agriculture shall sub-*
17 *mit to the Committee on Agriculture of the House of Rep-*
18 *resentatives and the Committee on Agriculture, Nutrition,*
19 *and Forestry of the Senate an annual report specifying, for*
20 *the year covered by the report—*

21 (1) *the total number of applications processed to*
22 *completion;*

23 (2) *the number of backlog applications processed*
24 *to completion;*

25 (3) *the percentage of backlog applications proc-*
26 *essed to completion; and*

1 (4) *the number of backlog applications remain-*
 2 *ing.*

3 **SEC. 203. REPORT ON SANITARY AND PHYTOSANITARY EX-**
 4 **PORT ISSUES.**

5 *Not later than 180 days after the date of the enactment*
 6 *of this Act, the Secretary of Agriculture shall submit to the*
 7 *Committee on Agriculture of the House of Representatives*
 8 *and the Committee on Agriculture, Nutrition, and Forestry*
 9 *of the Senate a report on significant sanitary and*
 10 *phytosanitary issues that affect the export of specialty*
 11 *crops.*

12 **TITLE III—SPECIALTY CROP**
 13 **RESEARCH**

14 **SEC. 301. METHYL BROMIDE ALTERNATIVES.**

15 (a) *PRIORITY.*—*The Secretary of Agriculture shall ele-*
 16 *vate the priority of current methyl bromide alternative re-*
 17 *search and extension activities and reexamine the risks and*
 18 *benefits of extending the phase-out deadline in effect on the*
 19 *date of the enactment of this Act, including the estimated*
 20 *cost to the grower or processor associated with any alter-*
 21 *natives proposed.*

22 (b) *AUTHORIZATION OF APPROPRIATIONS.*—*For each*
 23 *of the fiscal years 2005 through 2009, there is authorized*
 24 *to be appropriated to the Secretary of Agriculture*
 25 *\$5,000,000 to carry out this section.*

1 **SEC. 302. NATIONAL SPECIALTY CROP RESEARCH PRO-**
 2 **GRAM.**

3 *Section 1672(e) of the Food, Agriculture, Conservation,*
 4 *and Trade Act of 1990 (7 U.S.C. 5925(e)) is amended by*
 5 *adding at the end of the following new paragraph:*

6 “(45) *SPECIALTY CROP RESEARCH.—Research*
 7 *and extension grants may be made under this section*
 8 *for the purpose of improving the efficiency, produc-*
 9 *tivity, and profitability of specialty crop production*
 10 *in the United States.”.*

11 **SEC. 303. SPECIALTY CROP COMMITTEE.**

12 *The National Agricultural Research, Extension, and*
 13 *Teaching Policy Act of 1977 is amended by inserting after*
 14 *section 1408 (7 U.S.C. 3123) the following new section:*

15 **“SEC. 1408A. SPECIALTY CROP COMMITTEE.**

16 “(a) *ESTABLISHMENT.—Not later than 90 days after*
 17 *the date of the enactment of the Specialty Crops Competi-*
 18 *tiveness Act of 2004, the executive committee of the Advisory*
 19 *Board shall establish, and appoint the initial members of,*
 20 *a permanent specialty crops committee that will be respon-*
 21 *sible for studying the scope and effectiveness of research, ex-*
 22 *tension, and economics programs affecting the specialty*
 23 *crop industry.*

24 “(b) *MEMBERS.—Individuals who are not members of*
 25 *the Advisory Board may be appointed as members of the*
 26 *specialty crops committee. Members of the specialty crops*

1 *committee shall serve at the discretion of the executive com-*
2 *mittee.*

3 “(c) *ANNUAL COMMITTEE REPORT.*—*Not later than*
4 *180 days after the establishment of the specialty crops com-*
5 *mittee, and annually thereafter, the specialty crops com-*
6 *mittee shall submit to the Advisory Board a report con-*
7 *taining the findings of its study under subsection (a). The*
8 *specialty crops committee shall include in each report rec-*
9 *ommendations regarding the following:*

10 “(1) *Measures designed to improve the efficiency,*
11 *productivity, and profitability of specialty crop pro-*
12 *duction in the United States.*

13 “(2) *Measures designed to improve competitive-*
14 *ness in research, extension, and economics programs*
15 *affecting the specialty crop industry.*

16 “(3) *Programs that would—*

17 “(A) *enhance the quality and shelf-life of*
18 *fresh fruits and vegetables, including their taste*
19 *and appearance;*

20 “(B) *develop new crop protection tools and*
21 *expand the applicability and cost-effectiveness of*
22 *integrated pest management;*

23 “(C) *prevent the introduction of foreign*
24 *invasive pests and diseases;*

1 “(D) develop new products and new uses of
2 specialty crops;

3 “(E) develop new and improved marketing
4 tools for specialty crops;

5 “(F) enhance food safety regarding specialty
6 crops;

7 “(G) improve mechanization of production
8 practices; and

9 “(H) enhance irrigation techniques used in
10 specialty crop production.

11 “(d) CONSIDERATION BY SECRETARY.—In preparing
12 the annual budget recommendations for the Department of
13 Agriculture, the Secretary shall take into consideration
14 those findings and recommendations contained in the most-
15 recent report of the specialty crops committee that are
16 adopted by the Advisory Board.

17 “(e) ANNUAL REPORT BY SECRETARY.—In the budget
18 material submitted to Congress by the Secretary in connec-
19 tion with the budget submitted pursuant to section 1105
20 of title 31, United States Code, for a fiscal year, the Sec-
21 retary shall include a report describing how the Secretary
22 addressed each recommendation of the specialty crops com-
23 mittee described in subsection (d).”.

1 **TITLE IV—PEST AND DISEASE**
2 **RESPONSE FUND**

3 **SEC. 401. PEST AND DISEASE RESPONSE FUND.**

4 (a) *ESTABLISHMENT.*—*There is established on the*
5 *books of the Treasury an account to be known as the “Pest*
6 *and Disease Response Fund”.* *There shall be deposited into*
7 *the Fund any proceeds received by the Secretary of Agri-*
8 *culture as reimbursement for services provided by the Sec-*
9 *retary using amounts in the Fund.*

10 (b) *AVAILABILITY.*—*Amounts in the Fund shall re-*
11 *main available until expended.*

12 (c) *USE OF FUND.*—*In implementing the Animal*
13 *Health Protection Act (7 U.S.C. 8301 et seq.) and the Plant*
14 *Protection Act (7 U.S.C. 7701 et seq.), the Secretary of Ag-*
15 *riculture shall have complete discretion regarding the use*
16 *of amounts in the Fund to support emergency eradication*
17 *and research activities in response to economic and health*
18 *threats posed by pests and diseases affecting agricultural*
19 *commodities.*

20 (d) *AUTHORIZATION OF APPROPRIATIONS.*—*For each*
21 *of the fiscal years 2005 through 2009, there is authorized*
22 *to be appropriated to the Secretary of Agriculture*
23 *\$1,000,000 for deposit in the Fund.*

1 **SEC. 402. IMPORT AND EXPORT REGULATION REVIEW.**

2 (a) *PEER REVIEW.*—*The Secretary of Agriculture shall*
3 *enter into an agreement with the National Plant Board to*
4 *obtain a peer review of the procedures and standards that*
5 *govern the consideration of import and export requests*
6 *under section 412 of the Plant Protection Act (7 U.S.C.*
7 *7712). The peer review shall be consistent with the guidance*
8 *by the Office of Management and Budget pertaining to peer*
9 *review and information quality.*

10 (b) *ELEMENTS OF REVIEW.*—*The peer review required*
11 *by subsection (a) shall address, at a minimum—*

12 (1) *the preparation of risk assessments; and*

13 (2) *the sufficiency, type, and quality of data that*
14 *should be submitted to the Secretary of Agriculture.*

15 (c) *SUBMISSION OF RESULTS.*—*The results of the peer*
16 *review conducted under subsection (a) shall be submitted*
17 *to the Secretary and Congress not later than 180 days after*
18 *the date of the enactment of this Act.*

19 **SEC. 403. MAINTENANCE OF FREDERICKSBURG INSPEC-**
20 **TION TRAINING CENTER.**

21 *For each of the fiscal years 2005 through 2009, there*
22 *is authorized to be appropriated to the Secretary of Agri-*
23 *culture \$1,500,000 for the maintenance of the Agricultural*
24 *Marketing Service inspection training center in Fredericks-*
25 *burg, Virginia.*

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2^D Session

H. R. 3242

[Report No. 108-750, Part I]

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